GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:5546
ANSWERED ON:29.04.2003
CAPACITY EXPANSION FOR BREWERIES AND DISTILLERIES
IQBAL AHMED SARADGI

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the All India Distillers` Association has demanded the Centre toremove the restrictions on the capacity expansion of these breweries and distilleries;

(b) if so, whether this ban has been in force since 1975;

(c) whether the Government have considered the request of the All India Distillers` Association;

(d) if not, the reasons therefor; and

(e) the time by which a final decision in this regard is likely to be taken?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. CHHATTRAPAL SINGH)

(a): Yes, Sir.

(b) to (e): With a view to introducing prohibition in the country in a phased manner, a ban on creation of additional capacity or expansion of existing capacity for distillation or brewing of alcoholic drinks except in 100% export oriented cases was imposed by the Central Government on 19th November, 1975

The ban was partially relaxed in April, 1988 when the creation of additional capacity and expansion of existing capacity for manufacture of potable alcohol based on non-molasses raw materials was allowed. Subsequently, creation of fresh capacity for manufacture of beer was also permitted in February, 1989. This was also withdrawn w.e.f. 1.4.1991.

The current situation is that the Supreme Court through a judgementdelivered on 29.1.1997 held that industries engaged in manufacture of alcohol meant for potable purposes should be under the total and exclusive control of the States. This judgement of 29.1.1997 occupies the field at present.